

Docket No. 01-279

Staff ~~EX~~ 2.0  
COMMERCE COMMISSION

SEP 7 10 31 AM '01

CHIEF CLERK'S OFFICE

*Revised*

DIRECT TESTIMONY  
OF  
BARBARA LANKFORD

CONSUMER SERVICES DIVISION  
ILLINOIS COMMERCE COMMISSION

FIRST TELECOMMUNICATIONS SERVICES, INC  
DOCKET NO. 01-0279

**OFFICIAL FILE**

I.C.C. DOCKET NO. 010279

*Revised Staff* Exhibit No. ✓

Witness \_\_\_\_\_

Date 10/10/01 Reporter TR

1 **Q. Please state your name and business address.**

2 A. My name is Barbara Lankford, and my business address is 527 East Capitol  
3 Avenue, Springfield, Illinois.

4 **Q. What is your occupation?**

5 A. I am employed in the Consumer Services Division of the Illinois Commerce  
6 Commission ("Commission").

7 **Q. What are your present responsibilities in the Office of Consumer Services?**

8 A. I began my employment with the Commission in October 1999, and have worked  
9 in the Consumer Services Division as a Consumer Counselor. My responsibilities in  
10 Consumer Services include reviewing applications and testimony from companies  
11 requesting certification to provide local exchange telephone service in Illinois to  
12 determine whether or not each applicant possesses the necessary managerial, financial  
13 and technical abilities to provide local exchange telecommunications service in Illinois.  
14 I have participated in 30 hearings to ensure the applicant's compliance with Illinois  
15 statutes and Commission rules and regulations. I also investigate consumer complaints,  
16 violations of the Commission's Administrative Codes and approved tariffs, and assist  
17 consumers in filing and resolving informal complaints.

18 **Q. Please describe your occupational experience.**

19 A. Prior to my employment with the Illinois Commerce Commission, I was employed  
20 in the Governor's Office for 9 years where I handled multi-agency and utility casework  
21 originating from letters, phone calls and visits to the Governor's Office. I also  
22 supervised, trained, and evaluated a staff of four State Services Representatives.

23

24 **Q. What is the purpose of your testimony?**

25 A. My testimony will discuss deficiencies and the lack of clarity in the application,  
26 responses to data requests, and responses to requests for additional information,  
27 provided by First Telecommunications, Inc. ("First Tel"). I will also provide a  
28 recommendation to the Commission for action on First Tel's application.

29 **Q. What is the Petitioner seeking in this docket?**

30 A. Petitioner filed an application under Article XIII of the Public Utilities Act for  
31 Certification to operate as a telecommunications carrier. However, throughout much of  
32 these proceedings, beginning with the Petition itself, it has been unclear as to the scope  
33 and type of services First Tel is proposing to offer. And, after three hearings, numerous  
34 conversations between Staff and representatives of the Petitioner, and volumes of  
35 additional documentation, Staff believes the record is still unclear as to the authority  
36 First Tel is requesting.

37

38 Initially, in its Application, First Tel requested authority under Section 13-404 and  
39 13-405 for local exchange resale and facilities based authority. In addition, First Tel's  
40 application seemed to indicate that Applicant would also provide pay telephone  
41 services. However, the Applicant has changed its position on numerous occasions as  
42 to whether First Tel is seeking certification under Section 13-403, 13-404, or 13-405.  
43 Questioning posed by the presiding Administrative Law Judge ("ALJ"), to First Tel's Mr.  
44 Kenneth Thompson at the April 18, 2001 hearing resulted in the following record:

45 Q. You are going to be contemplating providing resold inter- -- I'm  
46 sorry, *not resold* -- *facilities-based interexchange service* under  
47 Section 13-403? Because the box isn't checked.  
48

- 49 A. Where? Can you tell me where that is again?  
50  
51 Q. It's on the first page of the application under Number 2, authority  
52 requested.  
53  
54 A. Oh, I see, yes. I apologize. That should be checked off 13-403.  
55  
56 Q. So we'll be amending the application in that regard and to reflect  
57 that you are also applying for facilities-based Interexchange  
58 services.  
59  
60 A. Yes.  
61 Tr. 40, Line 18 through Tr. 41, Line 8.
- 62 **Q. Did the Applicant provide any additional testimony that addressed the**  
63 **authority being requested?**
- 64 A. Yes. During the same hearing, Mr. Mark Hanson of Staff also sought clarification  
65 from Mr. Thompson of the authority that the Applicant was requesting.
- 66 Q. Is it your intention now then to, as Mr. Riley asked -- you about the  
67 certificate you were seeking, to offer long distance i.e.,  
68 interexchange services or are you just intending to offer local  
69 service?  
70
- 71 A. We're going to offer local service and the long distance service via  
72 carrier.  
73
- 74 Q. So it's not your intention to offer long distance services?  
75
- 76 A. No. No. Actually -- well, the customers will be allowed to pick  
77 various long distance carriers.  
78
- 79 Q. You are not going to offer that service yourself?  
80
- 81 A. No.  
82
- 83 Q. Okay. I guess then I'm a little confused why you are asking for the  
84 Certificate of Interexchange Authority then if you are strictly  
85 intending to provide local exchange service.  
86
- 87 A. You know, in actuality what I would need to do is.-- David had to  
88 step out -- I would have to clarify that with him because that had --

89 some that is based on switching capability and I would have to  
90 clarify that with him.  
91 Tr. 46, Line 16 through Tr. 47, Line 16.

92 **Q. Did Mr. Hanson pose another line of questions regarding First Tel's**  
93 **intention to provide facilities based service or resale service?**

94 A. Yes. Mr. Hanson tried another approach to clarify the authority that the applicant  
95 was requesting, by asking if the company was purchasing any facilities for the  
96 company.

97 Q. Now I would like to explore a little bit since you are applying for a  
98 certification. As I understand it, you are all going to be -- you really  
99 won't have any physical facilities. You intend to be purchasing  
100 unbundled network elements in Ameritech; is that correct?

101  
102 A. Yes, initially, yes.

103  
104 Q. But you do plan at some point to acquire some physical facilities?

105  
106 A. Well, Nortel Networks is going to sell First Tel its initial equipment  
107 all of this year, so Nortel Networks will be installing the switch at  
108 Ameritech's collocation point and assisting us with that technology  
109 upgrade. It's in the initial start-up. We're not purchasing the switch  
110 because of the time required to design the network and  
111 infrastructure.  
112 Tr. 34, Line 19 through Tr. 35, Line 13.

113

114 **Q. What is Staff's concern with the applicant's ability to provide service?**

115 Staff is concerned that the confusion shown by First Tel on the record, and  
116 elsewhere, e.g., Data Responses, shows a lack of understanding of the requirements of  
117 the Act and of the Commission's Rules and Regulations, and, thus, an inability to  
118 comply with them. For example, First Tel has shown a lack of understanding of  
119 Sections 13-403, 13-404, and 13-405, and its customer service obligations.

120

121 Q. What is Staff's concern with the applicant's lack of understanding of  
122 Sections 13-403, 13-404 and 13-405 of the Act?

123 A. The Applicant's inability to understand the provisions of the Act under which it  
124 purportedly seeks permission to operate as a telecommunications carrier indicates that  
125 it will be unable to comport with the requirements of the Act and will not be able to  
126 properly manage the provision of telecommunications services.

127

128 Q. Did Judge Riley seek to clarify the authority that the applicant was  
129 requesting?

130 A. Yes. Judge Riley elicited the following exchange:

131 Q. Okay. You checked off on your application for certificates under  
132 Section 13-404 of the Act, which is resold local and/or  
133 interexchange services and under Section 13-405, which is  
134 facilities-based local services. Under 404, are you going to be  
135 providing local or interexchange or both for the resold services?

136

137 A. Both.

138

139 Q. Resold and interexchange?

140

141 A. Exactly

142

143 Q. Okay. Under 405, obviously is facilities-based, you contemplate  
144 eventually obtaining a switch?

145

146 A. No, it's not a contemplation. We'll be purchasing a switch.

147 Tr. 39, Line 11 through Tr. 40, Line 4.

148

149 After three different people questioned the witness on the topic of the type of  
150 services First Tel would offer, there was still confusion on what the applicant was

151 requesting. Referring back to the transcript Tr. 10, Lines 11 – 17, when First Tel's  
152 witness was first cross-examined, it was stated:

153 Q. On Number 2 of the application, I want to clarify that you  
154 have -- that you are not seeking authority for  
155 facilities-based interexchange service; is that correct?  
156

157 A. Let me clarify that. For clarification, at this point we have decided  
158 that we're not going to have our own switch.  
159  
160

161 **Q. Throughout this process, did Staff gain a clear understanding of the authority**  
162 **being requested by First Tel?**

163 A. No. Even after reading the application, attending three hearings and cross-  
164 examining the witness(es), it was unclear as to what services First Tel believed it was  
165 seeking to provide. Consequently, in an additional attempt to clarify this matter, Staff  
166 issued a set of Data Requests seeking additional documentation and information  
167 regarding the company's authority and service offering. Incorporated in Staff's Data  
168 Request was a request for a copy of the tariff that the company planned to file, if it  
169 received Certification. The purpose of obtaining the document was to try to gain an  
170 understanding of the services that First Tel was offering, so that Staff could try to  
171 determine what authority the company needed.

172 **Q. Does Staff generally request copies of an applicant's proposed tariff while**  
173 **reviewing the application for certification?**

174 A. It is not unusual for Staff to request a copy of a company's tariff to gain an  
175 understanding of how the company plans to provide service. Companies routinely  
176 provide a copy of their tariffs when they file an application for service authority.

177 **Q. Did First Tel provide a copy of its proposed tariff to Staff?**

178 **A.** Yes. In fact, First Tel has provided several revised versions of its tariffs,  
179 ostensibly in response to questions and comments provided by Staff.

180  
181 **Q. Did the responses to Staff's Data Requests provide Staff with the**  
182 **information that it needed to understand the type of service the company would**  
183 **be offering?**

184 **A.** No. Although the Applicant provided Staff with numerous pieces of additional  
185 information, the information did not provide Staff with the requisite information to clarify  
186 the authority that the Applicant should be seeking or how it would be offering service.

187 **Q. Did Staff discuss with the company deficiencies or errors in the additional**  
188 **documentation provided by the applicant?**

189 **A.** Yes. Staff took the time to review the information supplied by First Tel and  
190 discussed with the applicant on numerous occasions the deficiencies and errors in the  
191 documents, e.g., potential Illinois Administrative Code violations. And, in response,  
192 First Tel would provide a "revised" document – but with no notable corrections to the  
193 deficiencies or errors discussed with Staff.

194 **Q. What is Staff's concern regarding the Applicant's customer service**  
195 **obligations?**

196 **A.** The information provided by First Tel is replete with standards and service  
197 offerings, e.g., customer credit information, billing adjustments, the company's  
198 customer contract, that conflict with the requirements of 83 Ill. Adm. Code Part 735.  
199 ("Part 735").



200 **Q. Staff Data Request MAH 1.10 asked the Applicant to explain how a**  
201 **customer will provide credit information to the Company to evaluate the**  
202 **customer's credit worthiness. What was the Applicant's response?**

203 A. The applicant responded that residential service customers may establish credit  
204 in one of following ways: 1) through the use of a Credit Evaluation Process, 2) through  
205 the payment of a cash deposit to the Company, 3) by providing a sufficient guarantee of  
206 payments for service by a guarantor satisfactory to the company, 4) by providing a  
207 surety bond, provided that such surety bond has been issued by an insurance company  
208 that has received a certificate of authority from the Department of Insurance to do  
209 business in Illinois.

210

211 **Q. What are the credit information requirements in Part 735.100(e)?**

212 A. The credit information contained in Part 735.100(e) states:

213 1) If an applicant or service is unable to provide satisfactory credit  
214 information the company may refuse to provide service unless the  
215 applicant furnished a deposit, pursuant to Section 735.102.

216

217 2) For residential applicants for service, satisfactory credit shall be  
218 based upon the following standards:

219

220 A) If the applicant has verifiable previous service with any  
221 telephone company for at least twelve months and the  
222 payment record on the account was satisfactory, the  
223 applicant would obtain service without a deposit.

224

225 B) If the applicant had not paid for the previous service, or the  
226 previous service had been disconnected for nonpayment  
227 within the past twelve months, the company may require a  
228 deposit prior to the connection of telephone service.

229

230 C) If the applicant does not have verifiable service, or if the  
231 applicant had previous service for less than one year, the  
232 applicant would be requested to provide further credit

information. The applicant would be requested to provide proof of:

- i) home ownership;
- ii) employment of two years or more with the current employer;
- iii) major oil company credit card;
- iv) major credit card;
- v) checking account;
- vi) savings account;
- vii) age of 50 years or more.

3) If the applicant is unable to provide affirmative responses to two of these credit criteria in subsection (e)(2) above, the company may request the applicant to furnish a deposit prior to the connection of telephone services.

4) For business customers, each company shall submit to the Commission a credit evaluation plan. In evaluating the company's credit evaluation plan the Commission will take into consideration whether the plan establishes reasonable criteria in relation to the risks the company might expect to experience from business customers, whether the criteria can be determined by objective, rather than subjective standards, and whether the criteria do not unreasonably discriminate against any class or group of commercial customers.

**Q. Does Staff have a concern regarding First Tel's Credit Evaluation Process ("CEP")?**

**A.** Yes. Although Staff was not provided with a copy of the questions that form First Tel's CEP, the CEP was addressed at the April 18, 2001 hearing. See, Tr. 23 - 29. First Tel's witness referred to the process as a "credit scoring." Credit scoring that inquires into such topics as an applicant's bill-paying history, the number and type of accounts an individual has, late payments, collection actions, outstanding debt, and the age of accounts would be inappropriate. These types of inquiry would not comply with

269 Part 735.100 of the Illinois Administrative Code. As long as the "standard questions,  
270 known as the Credit Evaluation Process" referred to by First Tel limited the questions to  
271 those listed in Part 735.100(e), the company would be in compliance with Illinois  
272 Commerce Commission regulations.

273

274

275 **Q. Does the Applicant's billing adjustment criteria comply with Part 735?**

276 A. No. In Data Request MAH-1.17 First Tel was asked if it was aware that limiting  
277 requests for billing adjustments to 60 days was in violation of Part 735. The applicant  
278 responded yes, and revised the number of days to 14 days. Unfortunately, a 14 day  
279 period is still out of compliance with Part 735. In fact, Part 735 contains no limiting time  
280 frame for a customer to dispute a bill. Under Section 9-252 of the Public Utilities Act, a  
281 customer has up to two years to dispute billing amounts.

282

283 **Q. What concerns does Staff have with the Applicant's customer contract for**  
284 **service?**

285 A. In response to Data Request MAH-1.23, First Tel provided staff with a copy of its  
286 Customer Cost and Terms of Connection contract.

287

288 Several of the terms of connection show that the Applicant is not familiar with the  
289 requirements of Code Parts 735 and 732. As a consequence, the Applicant's  
290 operations would be in violation of the Commission's regulations.

291

292 **Q. Specifically, which of the Terms of Connection are in violation of Commission**  
293 **regulations?**

294 A. The following three items are included in First Tel's Customer Costs and Terms  
295 of Connection:

296  
297 1) Telephone service will be disconnected X<sup>1</sup> days after the due date on the bill.  
298 First Tel does not offer grace periods or payment plans.  
299

300 2) If phone service is disconnected, the customer will be required to pay a \$xxx  
301 reconnection fee along with all fees and monthly statements owed before re-  
302 establishing service.  
303

304 3) If First Tel does not activate phone service within 15 working days, the  
305 affected customer can request payment in full. [It does not explain payment of  
306 what.]  
307

308  
309 **Q. Are there requirements for payment arrangements in Part 735.80 (a)?**

310  
311 A. Yes. Part 735.80 (a) requires companies to offer payment arrangements  
312 to customer who are indebted to a carrier. It states that: Residential customers  
313 who are indebted to a company for past due utility service shall have the  
314 opportunity to make arrangements with the company to retire the delinquent  
315 amount by periodic payments referred to hereinafter as a Deferred Payment  
316 Agreement.  
317

318 As noted, in the contract terms above, First Tel would not provide for deferred payment  
319 agreements as required in Part 735.80(a).

320 **Q. The second contract term mentioned above refers to charging a**  
321 **reconnection fee before reestablishing service. Is there a requirement in Part 735**  
322 **that refers to reconnection fees?**

323  
324 A. Yes. Part 735.170 (a) requires that:  
325

326 a) When service has been discontinued pursuant to Section 735.180  
327 herein, the company may charge and collect the restoral charge, if any, set forth  
328 in its rules, regulations or terms and conditions of service which are on file with

---

<sup>1</sup> The Xs are present in First Tel's contract. They do not indicate the deletion of information by Staff.

329 the Commission. Such rules, as filed, shall provide for automatic waiver of the  
330 customer's first service restoral charge of each calendar year.

331  
332 A telecommunications carrier must waive the first service restoral charge each calendar  
333 year. First Tel's Terms of Contract does not contain such a provision.

334  
335 **Q. The third contract term mentioned above refers to the activation of new**  
336 **telephone service. The Terms of Contract state that the customer may request**  
337 **"payment in full" if service is not activated within 15 working days. What are the**  
338 **local exchange service installation obligation requirements in Part 732?**

339  
340 **A. Part 732.20 (a) states that each telecommunications carrier must**  
341  
342 install basic local exchange service within 5 business days after receipt of  
343 an order from the customer unless the customer requests installation date  
344 that is beyond 5 business days after placing the order for basic service.  
345 The carrier must also inform the customer of its duty to install service  
346 within this timeframe. If the installation of service is requested on or by a  
347 date more than 5 business days in the future, the telecommunications  
348 carrier shall install service by the date requested. A telecommunications  
349 carrier offering basic local exchange service utilizing the network or  
350 network elements of another carrier shall install new lines for basic local  
351 exchange service within 3 business days after provisioning of the line or  
352 lines by the carrier whose network or network elements are being utilized  
353 is complete. This subsection does not apply to the migration of a  
354 customer between telecommunication carriers, so long as the customer  
355 maintains dial tone.

356  
357 **Q. How would First Tel's contract term be in violation of Part 732?**

358  
359 **A. According to the information in First Tel's Terms of Contract, First Tel would not**  
360 **provide any reimbursement to a customer until 15 working days after the installation**  
361 **date was missed. Part 732.20 requires a company to make restitution to the customer**  
362 **if the company fails to install service within 5 business days.**

363

Q. Does Part 732 include regulations on the manner in which customers must be credited for violations of service quality standards?

A. Yes. Part 732.30(b) states:

If a carrier fails to install basic local exchange service as required under Section 732.20(a), the carrier shall waive 50% of any installation charges, or in the absence of an installation charge or where installation is pursuant to the Link Up program, the carrier shall provide a credit of \$25. If a carrier fails to install service within 10 business days after the service application is placed, or fails to install service within 5 business days after the service application is placed, or fails to install service within 5 business days after the customer's requested installation date, if the requested date was more than 5 business days after the date of the order, the carrier shall waive 100% of the installation charge, or in the absence of an installation charge or where installation is provided pursuant to the Link Up program, the carrier shall provide a credit of \$50. For each day that the failure to install service continues beyond the initial 10 business days, or beyond 5 business days after the customer's requested installation date, if the requested date was more than 5 business days after the date of the order, the carrier shall also provide either alternative telephone service or an additional credit of \$20 per day, at the customer's option until service is installed.

Q. Are there any other Administrative Code provisions that the Applicant fails to understand?

A. Yes, First Tel appears to not understand the installation obligations in 83 III.

Administrative Code 730.540.

Q. What are the installation obligation requirements in Part 730.540?

A. The installation provisions in Part 730.540 require:

a) The local exchange carrier shall complete 90% of its regular service installations within five working days after the receipt of the application, unless a later date is requested by the applicant.

b) Installation intervals beyond five working days may be appropriate in those instances where installation forces are busy restoring services due to interruption caused by emergency situations, where materials cannot be

obtained through no fault of the company, and during unusual rush periods caused by weather or by work stoppages.

c) On a company basis, 90% of the local exchange carrier's regular service order installation commitments shall be met, excepting customer-caused delays or natural disasters. When, for the company reasons, the service installation date cannot be made, the applicant will be notified, where possible, of the delay the reason for the delay, and the approximate date when the service installation will take place.

**Q. How would First Tel's proposed practice violate these provisions?**

A. In the Data Request MAH-1.23, staff requested a copy of First Tel's proposed Customer Contract. In the contract provided by First Tel, under Customer Costs and Terms of Connection, it states "I understand that if FTE does not activate my phone within 15 days, I can request my payment in full". This would be in violation of both Parts 730.540 and 732.20.

**Q. Are there any other concerns raised by the responses to the Data Requests?**

A. Yes, in Data Request MAH-1.24, staff requested a copy of First Tel's Letter of Authority. Upon reviewing the Letter provided by First Tel, it was found that language within the document it is not in compliance with the Public Utilities Act, Section 13-902.

**Q. Could you provide examples of such language?**

A. Yes. The Letter of Authority in the first line refers to telecommunication needs, and does not indicate if the customer is requesting a switch of local, local toll or long distance service. As a result, the customer could be easily "slammed" or "crammed."

Also, in the Letter of Authority is this statement:

This Letter of Authority expires sixty months from the execution date of this agreement, or on a date or under circumstances otherwise agreed to in writing by the parties hereto.

444 However, Section 13-902 provides that a telecommunications carrier shall submit a  
445 preferred carrier change order on behalf of a subscriber within no more than 60 days  
446 after obtaining a written or electronically signed letter of agency.

447  
448 **Q. What information did Staff offer to First Tel to help it understand its**  
449 **obligations in operating a telecommunications carrier and to be in compliance**  
450 **with the Commission's rules and regulations?**

451 A. Staff has informally provided comments to the Applicant about the deficiencies in  
452 its application and additional documents. On numerous occasions, Staff has  
453 recommended that the Applicant seek the advise of an attorney or consultant who is  
454 familiar with the Act and with the Commission's rules and regulations. However, the  
455 case presented by the Applicant still reflects a high level of misunderstanding of the  
456 management of a telecommunications carrier. Based on this record, Staff would have  
457 to recommend that the Commission could not grant First Tel's application, as the  
458 requisite findings that the applicant possesses sufficient technical, financial and  
459 managerial resources and abilities to provide telecommunications services cannot be  
460 made.

461 **Q. What is your conclusion with regard to the application submitted by First**  
462 **Tel?**

463 A. Staff believes that First Tel has not exhibited an adequate understanding of the  
464 customer service obligations that would be imposed upon it by the Public Utilities Act  
465 and Commission Administrative rules to manage a telecommunications carrier.

466 **Q. Does this complete your testimony?**

467 A. Yes, it does.



REGULATION, RATES, AND CHARGES  
APPLYING TO THE PROVISION OF ACCESS SERVICE  
FOR INTRASTATE CUSTOMERS WITHIN THE  
OPERATING TERRITORY OF  
FIRST TELECOMMUNICATIONS SERVICES, INC (FTSI)  
  
FIRST-TEL  
  
IN THE STATE OF  
  
ILLINOIS  
  
AS PROVIDED HEREIN

ISSUED: MAY 21, 2001

Ellis J. May III  
Vice-President  
1631 North Western  
Chicago, Illinois 60622

REVISED: AUGUST, 7 2001

PREFACE

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First Telecommunications Services, Inc.

ILL.C.C. No. 1

PREFACE

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EXPLANATION OF SYMBOLS

C	To signify changed regulation.
D	To signify discontinued rate or regulation.
I	To signify increased rate.
M	To signify a move in the location of text.
N	To signify new rate or regulation.
R	To signify reduced rate.
S	To signify reissued matter.
T	To signify a change in text but no change in rate or regulation.
Z	To signify a correction or error or omission.

ISSUED: MAY 21, 2001

Ellis J. May III  
Vice-President  
1631 North Western  
Chicago, Illinois 60622

REVISED: AUGUST, 7 2001

PREFACE

APPLICATIONS OF TARIFF

This tariff sets forth the service offerings, rates, terms, and conditions applicable to the furnishing of competitive intrastate end-user communications services by First Telecommunications Services, Inc., to customers within the State of Illinois.

ISSUED: MAY 21, 2001

Ellis J. May III  
Vice-President  
1631 North Western  
Chicago, Illinois 60622

REVISED: AUGUST, 7 2001

PREFACE

DEFINITIONS AND ABBREVIATIONS

Certain terms and abbreviations used generally throughout this tariff are defined below.

Advanced Payment: Part or all of a payment required before the start of service.

Automatic Number Identification (ANI): Allows the automatic transmission of a caller's billing account telephone number to a local exchange company, interexchange carrier or a third party subscriber. The primary purpose of an ANI is to allow for billing of toll calls.

Centrex Services: A switching system exchange service provided on central office lines. Exchange access is provided for calls to and from the network as well as intercom calling between Centrex lines in the same system.

Company of FTSI: First Telecommunications Services, Inc., the issuer of this tariff.

Customer or Subscriber: The person, firm, or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Exchange Access Service: The furnishing of equipment and facilities including Centrex lines, exchange access lines or trunks, for telephone communication within local service areas in accordance with the provision of this tariff.

ICB: Individual Care Basis.

Initial Service Period: The minimum length of time for which a customer is obligated to pay for service, facilities, or equipment, whether or not retained by the customer for such minimum period of time. Unless otherwise specified, the minimum period of thirty (30) days following service installation.

Intra LATA or IntraMSA: Telecommunications Services originating and terminating within the same LATA or MSA.

InterLATA or InterMSA: Telecommunications Services originating in one LATA or MSA and terminating in another LATA or MSA.

LATA: A Local and Access and Transport Area established pursuant to the Modifications of final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192: or any other geographic area designated as a LATA in the National Exchange Carrier Associations, Inc. Tariff FCC No. 4.

LDL: Long Distance Telecommunications Service.

Local Exchange Carrier or ("LEC"): Denotes any certificated individual, partnership association, joint-stock company, trust or corporation engaged in providing a switched communication within an exchange.

DEFINITIONS AND ABBREVIATIONS (cont)

Local Service: Service which provides for exchange telephone communications within the local service area at rates and under regulations as provided in this tariff.

Market Service Area or ("MSA"): A geographical area consisting of one or more exchanges, as defined by the Illinois Commerce Commission, for the administration of tariffs, services, and other regulatory obligations.

Mbps: Megabits, denotes millions of bits per second.

Non-Recurring Charge or ("NRC"): A one-time charge either in lieu of, or in addition to, recurring monthly charges for service or facilities.

Off-Peak: The hours between 7:00 p.m. Central Standard Time and 7:00 a.m. Central Standard Time.

Peak: The hours between 7:00 a.m. Central Standard Time and 7:00 p.m. Central Standard Time.

Private Line Service: Communications services, and or facilities, provided for the customer's use which do not utilize the public switched message network, and which are provided between customer designated locations.

Recurring Charges: The monthly charges to the Customer for services, facilities, and equipment, which continue for the agreed upon duration of the service.

rms: Root-mean-square

Service Commencement Date: The first date following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commence Date.

Service Commitment Date: The term elected by the Customer and stated on the Service Order during which FTSI will provide the services subscribed to by the Customer.

Service Order: The written request for Network Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by

Ellis J. May III  
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1631 North Western  
Chicago, Illinois 60622

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First Telecommunications Services, Inc.

ILL.C.C. No. 1  
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the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commence Date.

Shared: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

DEFINITIONS AND ABBREVIATIONS (cont)

Tariff: Any and all of the body of rates, terms, conditions, and charges for **FTSI** facilities under/or services as filed with, and approved by, the Illinois Commerce Commission.

User or End User: A Customer, Joint User, or any other person authorized by the Customer to use service, provided under this tariff.

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Vice-President  
1631 North Western  
Chicago, Illinois 60622

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## SECTION 2

GENERAL RULES AND REGULATIONS2.1 Undertaking of the Company

The Company undertakes to furnish communications services between specified locations within the State of Illinois under the terms and conditions of this Tariff.

The Company may act as the customer's agent for ordering and billing of Local Access Connection facilities provided by other carriers or entities, to allow connection of a customer's location(s) to the **FTSI** Network. The customer shall be responsible for all charges due to such service arrangement.

**FTSI** services and are provided on a monthly basis, unless ordered on a longer term basis, and are available twenty-four hours a day, seven days a week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of facilities and the provisions of this tariff.

2.2.2 **FTSI** reserves the right to discontinue furnishing service, upon written notice, or limit the use of service when necessitated by conditions beyond its control; or when the customer is using the service in violation of the provisions of this Tariff, or in violation of the law.

2.2.3 All facilities provided under this Tariff are directly controlled by **FTSI** and the customer may not assign or transfer the use of service or facilities, except with the express written consent of **FTSI**. Such assignment or transfer shall only apply where there is no interruption of the use or location of the service or facilities. Such assignment or transfer may be made to:

- (A) Another individual, partnership, association or corporation, etc. provided the assignee or transferee assumes all outstanding indebtedness for such service or facilities and any unexpired portion of a minimum service period.
- (B) A court appointed receiver, trustee, or other person acting pursuant to law

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1631 North Western  
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in bankruptcy, receivership, reorganization, insolvency, liquidation, or other similar proceedings, provided the assignee or transferee assumes any unexpired portion of a minimum service period.

Prior written permission of **FTSI** is required in all cases of assignment or transfer. All regulations and conditions contained in this Tariff shall apply to such permitted assignees or transferees, and all conditions of service including, but not limited to, minimum service periods and other liabilities shall apply as if there were no interruption or such service period(s).

## GENERAL RULES AND REGULATIONS

### 2.2 Limitations (cont)

2.2.4 The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either the Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

### 2.3 Liabilities of FTSI

2.3.1 **FTSI's** liability for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the transmission occurring in the course of furnishing device or facilities, and not caused by negligence of its employees or agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period of service during which mistakes, omissions, interruptions, delays, errors or defects in transmission occur.

**FTSI's** liability and the Customer's sole and exclusive remedy arising out of delays in installations, commencement or restoration of service or out of mistakes, accidents, omissions, interruptions, delays, or errors or defects in transmission in the provision of service shall be limited to the right to cancel service without liability to either party. Without limiting the foregoing, **FTSI** shall have no obligation to provide alternative routing.

IN NO EVENT SHALL **FTSI** BE LIABLE TO THE CUSTOMER OR ANY OTHER PERSON, FIRM OR ENTITY IN ANY RESPECT, INCLUDING WITHOUT LIMITATIONS, FOR ANY DAMAGES, EITHER DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES OR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF MISTAKES, ACCIDENTS, ERRORS, OMISSION, INTERRUPTIONS, DELAYS, INCLUDING THOSE WHICH MAY BE CAUSED BY REGULATORY OR JUDICIAL AUTHORITIES ARISING OUT OF OR RELATING TO THIS

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Vice-President  
1631 North Western  
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TARIFF OR THE OBLIGATIONS OF FTSI PURSUANT TO THE TARIFF. FTSI MAKES NO WARRANTY, WHETHER EXPRESS, IMPLIED, OR STATUTORY AS TO THE DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS OR FITNESS FOR ANY PURPOSE OF THE SERVICE OR THE LOCAL ACCESS, OR AS TO ANY OTHER MATTER, ALL OF WHICH WARRANTIES BY FTSI ARE HEREBY EXCLUDED AND DISCLAIMED.

### GENERAL RULES AND REGULATIONS

#### 2.3 Liabilities of FTSI (Cont'd)

With respect to the routing of calls by the Company to public safety answering points or municipal Emergency Service providers, the Company's liabilities, if any, will be limited to the lesser of (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act in routing the call, or (b) the sum of \$1,000.00

- 2.3.2 FTSI shall not be liable for damage arising out of the fault of any facilities or equipment furnished by other carriers, or caused by negligence of other than FTSI, including negligence on the part of the customer.
- 2.3.3 FTSI is not liable for any defacement of or damage to, the premises of a customer resulting from the furnishing of services of the attachment of instruments apparatus, and associated wiring furnished by FTSI on such customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of FTSI negligence. No agent or employees of other participating carriers shall be deemed to be agents or employees of FTSI without written authorization.
- 2.3.4 FTSI is not liable for any act or omission of any other company or companies furnishing a portion of the end-to-end service or facilities, whether such other company is directly or indirectly under the control of FTSI.
- 2.3.5 FTSI shall be indemnified and held harmless by the customer against:
  - A. Claims for libel, slander or infringement of copyright arising out of the material, data, information, or other content transmitted over FTSI's facilities.
  - B. Patent infringement claims arising from combining or connecting FTSI furnished facilities with apparatus and systems of the customer or others.

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- C. All other claims arising out of any act or omission of the customer in connection with any service or facility provided by FTSI.

## GENERAL RULES AND REGULATIONS

### 2.3 Liabilities of FTSI

2.3.6 FTSI does not guarantee or make any warranty with respect to any equipment used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The customer indemnifies and hold FTSI harmless from any and all loss claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the customer or by any other party or persons for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location or use of such equipment so used.

The customer indemnifies and holds FTSI harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by the customer or any other party or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage or destruction of any property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, condition, location, or use is not the direct result of FTSI's negligence.

### 2.4 Establishment and Furnishing of Exchange Access Service

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2.4.1 General

Procedures governing the establishment of credit, billing, termination of service, and issuance of telephone directories for local exchange telecommunications service, will comply with Part 735 of the 83 Illinois Administrative Code.

2.4.2 Application for Service

Application for service may be made orally or in writing. Acceptance of an application establishes a contract between the customer and the Company based on terms and conditions of this Tariff.

GENERAL RULES AND REGULATIONS

2.4.3 Establishment of Credit

- A. Responding in a manner satisfactory to FTSI to a set of standard questions, known as the credit Evaluation Process (CEP). The applicant may be required to provide proof in support of these responses. The written procedures for the CEP are available for public inspection at FTSI's main office at 1631 N. Western, Chicago, Illinois 60622.
- B. Payment of a cash deposit to FTSI in accordance with Section 2..
- C. Providing a sufficient written guarantee of payments for service by a guarantor satisfactory to FTSI.
- D. Providing a surety bond, provided that such surety bond has been issued by an insurance company that has received a certificate of authority from the Department of Insurance to do business in Illinois.

2.4 Establishment and Furnishing of Exchange Access Service

- C. To maintain satisfactory credit, the bill must be paid regularly by the due date indicated on the bill. Failure to maintain good credit may result in loss of service, retention of the customer's deposit beyond the time it is normally returned, or a demand that credit be reestablished. Re-established of credit may require payment of, or an increase in, a cash deposit.

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2.4.4 Deposits

- A. If a deposit is required, the amount will be:
- (1) For an applicant for service - not more than two times (four times for business customer(s)) the estimated average monthly bill for that class and type of service.
  - (2) For an existing customer - not more than two times (four times for business customer(s)) the customer's average bill for the past six months, the amount will be based on the established average bill for all customers using the type of service.
- B. The deposit will be provided in U.S. currency or an instrument acceptable to the Company.
- C. The amount of a deposit may be adjusted whenever the Company determines the customer's use of the service has changed.

GENERAL RULES AND REGULATIONS

2.4.4 Deposits (cont)

- D. When a deposit is requested, not more than one-third will be required as an initial payment. The remainder must be paid during the next two billing periods in equal amounts unless the customer chooses to expedite the payments.
- E. Interest is paid on cash deposits at a rate determined by the Illinois Commerce Commission. It is accrued monthly and paid to the customer at the time the deposit is returned. The customer may request annually that the interest is paid.

The Company will return a deposit to the customer's account when all of the following conditions have been met for 12 consecutive months:

- (1) The customer has paid all past due bills,
- (2) Service has not been discontinued for nonpayment,
- (3) The customer has not paid late four or more times,
- (4) The Company has no reason to believe the customer used a device or scheme to obtain service without payment.

The deposit will also be returned within a reasonable period if:

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- (1) The customer establishes credit by other means, or
- (2) The service has not been terminated and the bills are paid in full, or
- (3) An application for service is canceled and any charges are paid in full.

2.4.5 Basis for Refusing or Disconnecting Service

- A. The Company reserves the right to refuse service to an applicant or member of the same household that owes the Company or former certified local exchange carrier for service previously furnished to him at the same or another address, or when the applicant owes for the past due bill of another customer for which he voluntarily assumed responsibility, until arrangements suitable to the Company have been made to pay such charges and/or the Company have received acceptable credit security.

GENERAL RULES AND REGULATIONS

2.4 Establishment and Furnishing of Exchange Access Service (Cont'd)

- B. The Company may discontinue or refuse service for any of the following reasons:
  - (1) Customer failure to make or increase a cash deposit when required.
  - (2) Customer failure to pay a past due bill for service.
  - (3) Customer failure to provide Company representatives with necessary access to Company-owned service or equipment. Customer will be notified by U.S. mail if service will be discontinued due to poor credit.
  - (4) the Company has reason to believe the customer has used a device or scheme to obtain service without payment and where the Company has so notified the customer prior to disconnection.
  - (5) Violation of or noncompliance with an Illinois Commerce Commission order.
  - (6) Violation of or noncompliance with any rules and regulations of the Company.
  - (7) Violation of or noncompliance with municipal ordinances and/or

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Vice-President  
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other laws pertaining to telephone service.

- (8) Abuse of Company services, including making calls, which might reasonably be expected to frighten, abuse, torment, or harass another.
  - (9) Customer use of equipment, which adversely affects the Company's service to others or endangers public health or safety.
- C. Except when service to others and public health and safety are endangered, service will be disconnected by the Company only after it has notified a customer in writing of its intention. The service will not be disconnected until at least five calendar days after delivery of the notice (eight days from the postmark date if mailed).

GENERAL RULES AND REGULATIONS

2.4 Establishment and Furnishing of Exchange Access Service (Cont'd)

2.4.6 Customer Billing (Credit Customers)

- A. Services, which are charged for at a monthly rate, are billed in advance for one month's service. Usage rate elements are billed in arrears.
- B. Bills are due on the due date show on the bill. A late payment charge of 1.5% per month shall apply to amounts shown on a monthly bill which remain unpaid after the due date. The late payment charge will be waived for residential customer once in each calendar year.
- C. When payment for service is made by check, a charge of \$25.00 will be applied to the Customer's bill for each occasion that a check is returned by a bank for the reason of insufficient funds.

2.4.7 Customer Billing (Pre-Pay Customers)

- A. All services provided customers are billed in advance.

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- B. Bills are due on the due date shown on the bill.
- C. Accounts not paid in full by the due date will be disconnected under the guidelines of 83 Illinois Administrative Code, Part 735..
- D. When payment for service is made by check, a charge of \$25.00 will be applied to the Customer's bill for each occasion that a check is returned by a bank for the reason of insufficient funds.

2.4.8 Restoral of Service

- A. If any customer's service is restored after having been disconnected but a Company service order to terminate such service has not been completed when such a service is restored, the customer will be required to pay a restoral service charge of \$17.75 per occasion. This service charge shall be waived once per calendar year for each customer.

GENERAL RULES AND REGULATIONS

2.5 Obligation of the Customer

- 2.5.1 The customer is obligated to place orders for origination, termination, and/or changes to FTSI's service or facilities; pay all charges for services or facilities rendered by FTSI; and to comply with all FTSI regulations governing the provision of service or facilities. The customer is also responsible for assuring that its authorized users comply with regulations of FTSI as specified in this Tariff.
- 2.5.2 When placing an order for service or facilities, the customer must provide:
  - A. Name(s) and address(es) of the person(s) liable for the payment of service charges. In the case of a corporation or partnership, a designated individual shall be named responsible for such bill responsibility.
  - B. Name(s) , address(es) and telephone number of person(s) to who notices

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shall be addressed by FTSI.

C. Location(s) at which facilities and services are to be provided

2.5.3 The customer shall reimburse FTSI for the replacement or repairs of FTSI's equipment when the damage results from:

- A. Negligence or willful act of the customer's employees, agents, or contractors, or authorized users.
- B. Loss through theft, fire, flood, cable cut, or other catastrophes to FTSI provided equipment or facilities located on the customer's premises.

After receipt of payment for the damages, FTSI will cooperate with the customer in prosecuting a claim against any third party whom the customer identified as causing, or responsible for, the damage or loss.

2.5 Obligations of the Customer

2.5.4 When facilities, equipment and/or communications systems provided by others are connected to FTSI's services or facilities, the customer assumes additional liabilities as specified by the provider of such facilities, equipment and services. Such liability may include payment of charges, minimum service periods, and termination liabilities. When service, equipment or facilities are provided by third parties FTSI may, upon written customer request, act as the customer's agent, but all payments and charges shall continue as the direct responsibility of the customer.

GENERAL RULES AND REGULATIONS

2.6 Charges and Payments for Services or Facilities

2.6.1 General

- A. Charges for service and facilities may be applied on a recurring and/or non-recurring basis.
- B. The minimum service period will be not less than one month (30 days), unless otherwise specified in this Tariff.
- C. Unless otherwise specified herein with respect to any service, service will continue to be provided until canceled by the customer, in writing, or not less than thirty (30) days notice.

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2.6.2 Payment

Payment will be due within ten (21) days after the billing statement is issued by FTSI and mailed to the customer. Any payment received later than thirty (30) days after Bill Date will be subject to an interest charge on delinquent amount at the prevailing rate as determined by the Illinois Commerce Commission.

- A. The customer is responsible for payment of all charges for services or facilities furnished by FTSI. The Company may require a customer to sign an application form and to establish credit worthiness as a condition precedent to the initial establishment of service. The application shall state the date on which service shall begin and the points between which service is to be provided, the type of facilities required, and any special arrangement related thereto. FTSI, in order to safeguard its interests, reserves the right to require a deposit prior to provision of service or facilities, not to exceed two months estimated recurring monthly rates. Deposits may be returned after one (1) year of satisfactory credit history and bill (6) months shall bear interest at the rate of 6% per annum.
- B. Statements will reflect the charges for service or facilities that are in effect during the period the service is furnished. If any charges for a period covered by a bill change after the bill has been rendered, the next bill will be adjusted to reflect the new changes, including appropriate credit or debit amount for such periods.

GENERAL RULES AND REGULATIONS

2.6.2 Payment (cont)

- C. The term and conditions for billing, payment and collection, including without limitation, any late payment charge, specified in the Local Exchange Company's local exchange service tariff shall apply to charges of the Company when the Local Exchange Company serves as the willing agent for the Company or buys the Company's accounts receivables.

2.6.3 Billing Period

Billing will start the day of acceptance by the customer of FTSI service, facilities, or equipment. Service will end on the last day indicated by customer through

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notification in accordance with Section 2.4 proceeding.

2.6 Charges and Payments for Services or Facilities

2.6.4

- A. Recurring Monthly Charges - For billing purposes, each month is considered to have thirty days. If the billing start date and end date do not coincide with billing periods or months, the bill charges will reflect the fractional part of the month involved.
- B. Non-Recurring Charges - Applies to a work activity done on a one-time-only basis, such as the installation of facilities: and is applied to each activity performed..
- C. Fractional Charges - Charges for a fractional part of a month are calculated by counting the number of days remaining in the billing period after service is furnished, or has been discontinued. The number of days remaining in the billing period are counted started with the day the service was furnished or discontinued. Divide that figure by thirty days. The resultant fraction is the multiplied by the monthly charge to arrive at the fractional monthly charge.
- D. Tax Adjustments - All stated the Company computes charges in this tariff exclusive of any federal, state or local use, excise, gross receipts, sales or privilege taxes, fees, or similar liabilities. Such taxes, fees, etc. shall be paid by the Customer in addition to the charges stated in this Tariff. All such taxes, duties, and fees shall each be shown as a separate line item on the Customer's monthly invoice.

GENERAL RULES AND REGULATIONS

2.6 Charges and Payments for Services or Facilities

2.6.5 Advance Payments

Customers for whom FTSI deems advance payments necessary shall make such advance payment for installation, non-recurring and/or two months service, charged in advance of the furnishing of service or facilities by FTSI. Such payments shall be in addition to deposit amounts as specified in 2.4.4 proceeding. Such advance payments may be refunded to the customer if the request for service

Ellis J. May III  
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is canceled prior to actual installation of service or facilities subject to 2.6.7 following (Cancellation of Service). FTSI reserves the right to bill monthly recurring charges on an advance basis as necessary to protect its interest.

2.6.6 Allowance for Interruption of Service

- A. "Catastrophic Interruption" includes a complete cable cut, equipment enclosure fire, an explosion, or any other circumstance of an extraordinary and catastrophic nature; and "Non-Catastrophic Interruption" includes all interruptions other than Catastrophic Interruptions. The limitation of refunds or credits due a customer by FTSI shall not exceed the period in which an outage or service deficiency occurs. Requests by a customer for billing adjustments due to credits for interruption shall be made within 2 years of invoice date. Requests for billing adjustments shall not be cause for delay in the payment of the balance due as shown on an invoice.
- B. When Service provided for a Segment (under one or more Service Descriptions) includes more than the one communications path, the Interruption allowances shall apply only to the path(s) interrupted.
- C. An Interruption allowance shall not be applicable for any period during which Customer fails to afford access to any facilities for the purpose of investigating and clearing troubles.
- D. In the event of interruption of Local Access service provided for under its Tariff, FTSI's liability to Customer shall be limited to giving Customer credit for Local Access charges equal to the credit FTSI received from the local telephone operating company or other third party providing the Local Access service.

GENERAL RULES AND REGULATIONS

2.6 Charges and Payments for Services or Facilities (Cont'd)

2.6.7 Cancellation Credit

Credit and/or refunds will be issued for any deposits or amounts billed in advance in the event that FTSI should cancel a service, facilities, or provision of equipment, or should the final service period be less than the monthly billing period, when such

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service or facilities have been billed in advance. All credits shall be netted against outstanding statements less deposits, when determining the final amount due from, or to be credited to, a customer.

2.7. Vacant

2.8 Specialized Service or Arrangement

Specialized Service or Arrangements may be provided by FTSI at the request of a Customer, on an individual-case basis if such service or arrangement meets the following criteria:

- The requested service or arrangements are not offered under other sections of this Tariff.
- The facilities utilized to provide the requested service or arrangements are of a type normally used by FTSI in furnishing its other services.
- The requested service or arrangements are compatible with other FTSI services, facilities and its engineering and maintenance practices.
- This offering is subject to the availability of the necessary FTSI personnel and capital resources

2.9 Non-Routine Installation and/or Maintenance Charges

When at the specific request of the customer, installation and/or routine maintenance is performed outside of regular FTSI business hours, a special charge may apply for such installation or maintenance.

GENERAL RULES AND REGULATIONS

2.10 Municipal Franchise Payments

Whenever FTSI incurs an obligation (or an increase thereof) under a franchise ordinance to pay a municipality an amount measured by the revenue from providing communications

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services, the Company may charge its customers within the corporate limits of that municipality, in addition to all other lawful rates and charges:

- An amount equal to the franchise payment, and
- An amount equal to the increase, if any, in taxes and other payments to government bodies resulting from the collections hereunder, by the addition of a uniform percentage to amounts billed for intrastate services within the municipality.

These provisions will be automatically applied upon the effective date of the municipal franchise ordinance to which they pertain.

2.11 Supplement Schedule for Illinois Public Utilities Tax

Pursuant to Section 9-222 of "The Public Utilities Act" as amended the Company will charge its customers in addition to all other lawful rates and charges, 0.1% of the amounts payable for intrastate service.

3.1 General

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff.

3.2 Charges Based on Duration of Use

When charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- A. Calls are measured in durational increments identified for each service. All calls which are fractions of a measurement increment are rounded-up to the next whole unit.
- B. Timing on a completed call begins when the called party answers the call. Answering is determined by hardware answer supervision in call cases where this Terminating local carrier and any intermediate carrier(s) provides signaling. Timing for operator service person-to-person calls start with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.

GENERAL RULES AND REGULATIONS

3.2 Charges Based on Duration of Use (cont)

- C. Timing terminates on calls when the calling party hangs up or the Company's

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Vice-President  
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